

DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT

P.O. Box 1947
Sacramento, CA 95812-1947
(916) 576-7109
(916) 263-1406 (FAX)
(916) 263-1402 (TDD)

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To: Energy Service Providers

Subject: Weatherizing Multifamily Buildings – 66% and 50% Eligibility Requirement

The purpose of this broadcast is to provide clarification regarding the network's approach to weatherizing multi-family buildings under the Department of Energy (DOE) Weatherization Assistance Program ("Regular") and the DOE American Recovery and Reinvestment Act (ARRA) contracts.

As the purpose of the WAP is to "implement a weatherization assistance program to increase energy efficiency of dwellings owned or occupied by low-income persons...especially low-income persons who are particularly vulnerable such as the elderly, persons with disabilities, families with children, high residential energy users, and households with high energy burden," (10 CFR 440.1) subgrantees need to ensure that weatherization services are being provided to low-income persons that live in all housing types. (Single-family, manufactured housing units and multi-family buildings)

Because a large majority of households living in multi-family rental housing are income eligible for DOE WAP weatherization services, weatherizing one multi-family building could provide services for several low-income families at one time. In addition, some multi-family buildings have long-term use restrictions which would allow the benefits of WAP services to be extended to more low-income residents over a longer period of time.

DOE, through their agreement with the Department of Housing and Urban Development (HUD), published several lists of public housing during March 2010 that identified properties that met income-eligibility criteria for qualification under the DOE WAP. Properties identified on the published lists can be weatherized through a streamlined process that reduces the typical review and verification required to perform WAP services.

Under DOE's Weatherization Program Notice (WPN) 11-4 effective December 22, 2010, DOE issued a reminder to grantees and subgrantees that 10 CFR 440.22(b) requires that a building containing rental dwelling units is eligible for WAP funds where "not less than 66 percent (50 percent for duplexes and four-unit buildings) of the dwelling units in the building: (i) Are eligible dwelling units, or (ii) Will become eligible dwellings units within 180 days under a Federal, State, or local government program for rehabilitating the building or making similar improvements to the building..." Weatherizing only single units within a multi-family building would not meet this program requirement.

When weatherizing a multi-family building, multiply the total number of income-eligible units in the building by the current grantee-wide average cost per unit (currently \$6,500 / Unit) to determine the amount of DOE funding available for weatherization of the building.

While the amount of funding available will be limited by the number of eligible units, weatherization work can result in improvements to all units in the building, even those that are not income-eligible units. All units are required to be reported to DOE.

Beginning July 1, 2011, all multi-family developments (2 – 4 units and 5+ units) will require a whole-building approach to weatherization. Individual units within buildings will no longer be allowable under the DOE program. Currently, ServTraq and EPD (Energy Program Data) do not allow submittal of unit data and demographics for non-qualified units. CSD will provide official guidance over the course of the next several weeks.